



**EXHIBIT A**

**NOTIFICATION LIST**

APPLICATION OF GRUY PETROLEUM MANAGEMENT COMPANY  
FOR SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO.

Rhodes Federal Unit Wells No. 95, 96 and 98

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Doyle Hartman  
Post Office Box 10426  
Midland, Texas 79702

Gruy Petroleum Management Co.  
Post Office Box 140907  
Irving, Texas 75014-0907

September 15, 2005

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO AFFECTED INTEREST OWNERS:

Re: Application of Gruy Petroleum Management Company for Simultaneous Dedication, Lea County, New Mexico.

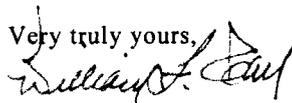
Ladies and Gentlemen:

This letter is to advise you that Gruy Petroleum Management Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking authorization to simultaneously dedicate a standard 160-acre spacing or proration unit in the Rhodes Yates-Seven Rivers Gas Pool comprised of the NE/4 of Section 9, Township 26 South, Range 37 East, NMPM, to its Rhodes Federal Unit Wells No. 95, 96 and 98.

This application has been set for hearing before a Division Examiner on October 6, 2005. The hearing will be held in Porter Hall at the Division's Santa Fe offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,



William F. Carr  
ATTORNEY FOR GRUY PETROLEUM MANAGEMENT COMPANY

Enc.

**Holland & Hart LLP**

Phone (505) 988-4421 Fax (505) 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address: PO Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. 03

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF  
GRUY PETROLEUM MANAGEMENT COMPANY  
FOR SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

GRUY PETROLEUM MANAGEMENT COMPANY ("Gruy"), through its undersigned attorneys, pursuant to Oil Conservation Division Rule 104.D (3), hereby makes application for an order authorizing the simultaneous dedication of the following three wells located in the NE/4 of Section 9, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico to the 160-acre spacing and proration unit in the Rhodes Yates-Seven Rivers Gas Pool comprised of the NE/4 of said Section 9:

- A. Rhodes Federal Unit Well No. 98 ("RFU Well No. 98") located in Unit B at an unorthodox well location 660 feet from the North line and 1650 feet from the East line;
- B. Rhodes Federal Unit Well No. 95 (API No. 30-025-24524) ("RFU Well No. 95") located in Unit G at a standard gas well location 1980 feet from the North line and 2180 feet from the East line; and
- C. Rhodes Federal Unit Well No. 96 (API No. 30-025-24536) ("RFU Well No. 96") located in Unit H at a standard gas well location 1980 feet from the North line and 760 feet from the East line .

In support of its application, Gruy states:

- 1. Gruy is the operator of a standard 160-acre gas spacing and proration unit in the Rhodes Yates-Seven Rivers Gas Pool comprised of the NE/4 of Section 9, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico. Gruy's RFU Well Nos. 95 and 96 located in Units G and H of said Section 9 currently produce from the Yates Seven-Rivers formation, Rhodes Yates-Seven Rivers Gas Pool.

2. Gruy's RFU Well Nos. 95 and 96 have a combined production rate of approximately 45 mcf/d and are not efficiently producing the reserves under this spacing unit.

3. To produce the reserves under this spacing unit, Gruy seeks an exception to the provisions of Division Rule 104.D(3) for its RFU Well No. 98 which it proposes to drill at an unorthodox location in Unit B of Section 9 for the production of hydrocarbons from the Yates-Seven Rivers formation.

4. The simultaneous dedication of the NE/4 of said Section 9 to the RFU Wells No. 95, 96, and 98 will afford Gruy the opportunity to efficiently produce the Yates-Seven Rivers formation under this spacing and proration unit, thereby protecting its correlative rights. The correlative rights of no other owner in this reservoir will be adversely affected.

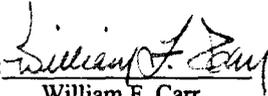
5. Notice of this application has been provided to those affected parties identified on the Notification List marked Exhibit A and attached hereto.

6. Approval of this application will result in the efficient recovery of hydrocarbons from the Rhodes Yates-Seven Rivers Gas Pool, thereby preventing waste, and will otherwise be in the best interest of conservation.

WHEREFORE, Gruy Petroleum Management Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2005 and, after notice and hearing as required by law, the Division enter its order approving the simultaneous dedication of the NE/4 of Section 9, Township 26 South, Range 37 East, NMPM, to the Rhodes Federal Unit Wells No. 95, 96 and 98.

Respectfully submitted,

HOLLAND & HART LLP

By: 

William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR GRUY PETROLEUM  
MANAGEMENT COMPANY

**CASE \_\_\_\_\_: Application of Gruy Petroleum Management Company for simultaneous dedication, Lea County, New Mexico.**

Applicant in the above-styled cause seeks authorization to simultaneously dedicate the standard 160-acre gas spacing unit in Rhodes formation, Rhodes Yates-Seven Rivers Gas Pool, comprised of the NE/4 of Section 9, Township 26 South, Range 37 East, NMPM, to the following three wells:

- A. Rhodes Federal Unit Well No. 98 located in Unit B at an unorthodox well location 660 feet from the North line and 1650 feet from the East line;
- B. Rhodes Federal Unit Well No. 95 (**API No. 30-025-24524**) located in Unit G at a standard gas well location 1980 feet from the North line and 2180 feet from the East line; and
- C. Rhodes Federal Unit Well No. 96 (**API No. 30-025-24536**) located in Unit H at a standard gas well location 1980 feet from the North line and 760 feet from the East line .

Said unit is located approximately 3 miles south of Jal, New Mexico.

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only - No Insurance Coverage Provided)

WFC  
 Gny  
 9590978  
 Restricted Delivery Fee (Endorsement Required) \$ 1.60  
 Certified Fee Postmark Here \$ 2.30  
 Return Receipt Fee (Endorsement Required) \$ 1.75  
 Total Postage & Fees \$ 4.65

Sent To  
 Gruy Petroleum Management Co.  
 Street, Apt. No., or PO Box No. P. O. Box 140907  
 City, State, ZIP+4 Irving, Texas 75014-0907

PS Form 3800

7001 1140 0002 9558 4102

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Gruy Petroleum Management Co.  
 P. O. Box 140907  
 Irving, Texas 75014-0907

2. Article Number (Copy) 7001 1140 0002 9558 4102

PS Form 3811, July 1999 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) Patricia B. Date of Delivery 9-19-05  
 Signature  
 Agent  
 Addressee  
 Yes  
 No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  
 Registered  
 Insured Mail  
 Restricted Delivery? (Extra Fee)  Yes  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only - No Insurance Coverage Provided)

WFC  
 Gny  
 9590978  
 Restricted Delivery Fee (Endorsement Required) \$ 1.60  
 Certified Fee Postmark Here \$ 2.30  
 Return Receipt Fee (Endorsement Required) \$ 1.75  
 Total Postage & Fees \$ 4.65

Sent To  
 Doyle Hartman  
 Street, Apt. No., or PO Box No. P. O. Box 10426  
 City, State, ZIP+4 Midland, TX 79702

PS Form 3800

7001 1140 0002 9558 4096

**SENDER: COMPLETE THIS SECTION**

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1. Article Addressed to:  
 Doyle Hartman  
 P. O. Box 10426  
 Midland, TX 79702

2. Article Number (Copy) from 7001 1140 0002 9558 4096

PS Form 3811, July 1999 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) Doyle Hartman B. Date of Delivery MO 9-21-05  
 Signature  
 Agent  
 Addressee  
 Yes  
 No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  
 Registered  
 Insured Mail  
 Restricted Delivery? (Extra Fee)  Yes  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.

# Affidavit of Publication

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF LEA )

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice herelo attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Notice Of Publication

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of September 18, 2005 and ending with the issue of September 18, 2005.

And that the cost of publishing said notice is the sum of \$ 56.40 which sum has been (Paid) as Court Costs.

Joyce Clemens  
Subscribed and sworn to before me this 19th day of October 2005.

Debbie Schilling  
Debbie Schilling  
Notary Public, Lea County, New Mexico  
My Commission Expires June 22, 2006

LEGAL NOTICE  
NOTICE OF  
PUBLICATION  
STATE OF  
NEW MEXICO  
ENERGY, MINERALS  
AND  
NATURAL RESOURCES  
DEPARTMENT  
OIL CONSERVATION  
DIVISION  
SANTA FE,  
NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on October 6, 2005, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed

New Mexico, on the 19th day of September 2005.  
STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
Mark E. Feinberg, P.E.  
Director  
Published in the Lovington Daily Leader, September 18, 2005.

STATE OF NEW MEXICO TO:  
All named parties and persons having any right, title, interest or claim in the following cases, and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated.)

CASE 19980 Application of the City Petroleum Management Company for simultaneous dedication of Lea County, New Mexico. Applicant in the above cited case seeks authorization to simultaneously dedicate the following 160-acre gas spacing unit in Rhodes Federal Unit, Rhodes Federal Seven Rivers Gas Pool, composed of the NE 1/4 of Section 8, Township 36 South, Range 31 East, NMP, to the following type uses:

- A. Rhodes Federal Unit Well No. 98 located in Unit B at an unbrooked well location 980 feet from the North line and 1650 feet from the East line;
- B. Rhodes Federal Unit Well No. 86 (API No. 30-028-24624) located in Unit G at an unbrooked well location 1980 feet from the North line and 2180 feet from the East line; and
- C. Rhodes Federal Unit Well No. 89 (API No. 30-028-24638) located in Unit H at a standard well location 1980 feet from the North line and 780 feet from the East line.

Said unit is approximately 4.9 miles south of Jil, New Mexico. Given under the Seal of the State of New Mexico, Oil Conservation